

Company Number 5495284

HAMMERSON (DIDCOT II) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2009



HAMMERSON (DIDCOT II) LIMITED

REPORT OF THE DIRECTORS **Year ended 31 December 2009**

The Directors' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

1 PRINCIPAL ACTIVITIES

The principal activity of the Company is property investment in the United Kingdom. The Directors do not anticipate any significant change in the principal activity in the foreseeable future.

2 RESULTS AND DIVIDENDS

The profit for the year after tax was £52,000 (2008: £2,000). The Directors do not recommend the payment of a dividend for the year (2008: £nil).

3 BUSINESS REVIEW AND FUTURE PROSPECTS

It is expected that the Company will continue to hold its property investments for the foreseeable future.

After the year end, the Company purchased two industrial units in Didcot, for a total consideration of £2,997,000.

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of the net liability position on the balance sheet as at 31 December 2009 and concluded that it was appropriate. More information is provided in note 1 to the financial statements.

4 DIRECTORS

- a) Mr A J Berger-North, Mr P W B Cole, Mr N A S Hardie, Mr L F Hutchings, Mr M C Jepson and Mr A J G Thomson were Directors of the Company throughout the year.
- b) Mr D J Atkins resigned as a Director of the Company on 1 October 2009.
- c) In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.
- d) No Director has any interest in contracts entered into by the Company.

5 SECRETARY

Mr S J Haydon was Secretary of the Company throughout the year.

HAMMERSON (DIDCOT II) LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 2009

6 INDEMNITY

The Company's ultimate parent company, Hammerson plc, has made qualifying third party indemnity provisions for the benefit of the Company's Directors which were in place throughout the year and which remain in place at the date of this report

7 AUDITORS

BDO LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 487(2) of the Companies Act 2006

BDO LLP have indicated their willingness to continue in office


8 PROVISION OF INFORMATION TO AUDITORS

Each of the persons who is a Director of the Company at the date of approval of this report has confirmed that

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006

By order of the Board



S J Haydon
Secretary

Date **04 MAY 2010**

Registered Office
10 Grosvenor Street
London, W1K 4BJ
Registered in England and Wales No 5495284

HAMMERSON (DIDCOT II) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HAMMERSON (DIDCOT II) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (DIDCOT II) LIMITED

We have audited the financial statements of Hammerson (Didcot II) Limited for the year ended 31 December 2009, which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movements in shareholder's deficit and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's member, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

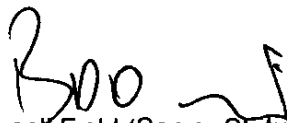
HAMMERSON (DIDCOT II) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (DIDCOT II) LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report



Russell Field (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Epsom, United Kingdom

Date **05 MAY 2010**

HAMMERSON (DIDCOT II) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Gross rental income		146	155
Rents payable and other property outgoings		<u>(23)</u>	<u>(15)</u>
Net rental income and operating profit		123	140
Net finance costs	3	<u>(71)</u>	<u>(138)</u>
Profit on ordinary activities before and after taxation for the financial year	9	<u>52</u>	<u>2</u>

All amounts relate to continuing activities

HAMMERSON (DIDCOT II) LIMITED

BALANCE SHEET

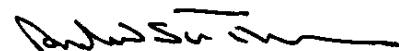
As at 31 December 2009

	Notes	2009 £'000	2008 £'000
Tangible fixed assets			
Investment properties	5	1,800	2,000
Current assets			
Debtors	6	75	64
Current liabilities			
Creditors amounts falling due within one year	7	<u>(3,298)</u>	<u>(3,229)</u>
Net current liabilities		<u>(3,223)</u>	<u>(3,165)</u>
Net liabilities		<u>(1,423)</u>	<u>(1,165)</u>
Capital and reserves			
Called up share capital	8	-	-
Revaluation reserve	9	(1,402)	(1,092)
Profit and loss account	9	<u>(21)</u>	<u>(73)</u>
Shareholder's deficit		<u>(1,423)</u>	<u>(1,165)</u>

These financial statements were approved by the Board of Directors on

04 MAY 2010

Signed on behalf of the Board of Directors


 Director
 A.J.G. Thomas

Company Number 5495284

HAMMERSON (DIDCOT II) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2009

	2009 £'000	2008 £'000
Profit for the financial year	52	2
Unrealised deficit on revaluation of properties	<u>(310)</u>	<u>(732)</u>
Total recognised gains and losses for the year	<u>(258)</u>	<u>(730)</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

For the year ended 31 December 2009

	2009 £'000	2008 £'000
Profit for the financial year	52	2
Unrealised deficit on revaluation of properties	<u>(310)</u>	<u>(732)</u>
Net increase in shareholder's deficit	(258)	(730)
Shareholder's deficit at 1 January	<u>(1,165)</u>	<u>(435)</u>
Shareholder's deficit at 31 December	<u>(1,423)</u>	<u>(1,165)</u>

HAMMERSON (DIDCOT II) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2009

1 ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently throughout the current and preceding year

a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties in accordance with all applicable law and United Kingdom accounting standards, with the exception of the depreciation of investment properties as explained below

b) Going concern

The current economic conditions have created a number of uncertainties which are likely to affect the Company's future performance. The key risks relate to tenant default and property valuations which are closely monitored by the Directors. The financial position of the Company is as set out in the Balance Sheet

The Company has net liabilities as at 31 December 2009 and is reliant on the support of its ultimate parent company, Hammerson plc, to be able to meet its liabilities as they fall due. The Directors consider that the Company is an integral part of Hammerson plc's structure and strategy and this is evidenced by a letter of support from Hammerson plc, which states its intent to provide the necessary financial support to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

c) Cash flow statement

As the Company is a wholly owned subsidiary it has taken exemption under the terms of Financial Reporting Standard 1 (revised 1996) from preparing a cash flow statement, as its cash flows are included in the consolidated financial statements of Hammerson plc, which are publicly available

d) Net rental income

Rental income from properties leased out under an operating lease is recognised in the profit and loss account on a straight-line basis over the lease term. Contingent rents, such as turnover rents, rent reviews and indexation are recorded as income in the periods in which they are earned. Rent reviews are recognised when such reviews have been agreed with tenants

Lease incentives and costs associated with entering into tenant leases are added to the costs of property and are amortised over the period to the first break option or, if the probability that the break option will be exercised is considered low, over the lease term

HAMMERSON (DIDCOT II) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2009

1. ACCOUNTING POLICIES (continued)

d) Net rental income (continued)

Property operating expenses are accounted for on an accruals basis and any property operating expenditure not recovered from tenants through service charges is charged to the profit and loss account

e) Deferred tax

In accordance with Financial Reporting Standard 19 "Deferred Tax", deferred tax is provided in respect of all timing differences that may give rise to an obligation to pay more or less tax in the future

f) Investment properties

Properties held for the long term are valued at the balance sheet date at their market value. Surpluses and deficits arising from revaluation are taken to the revaluation reserve

g) Depreciation

In accordance with Statement of Standard Accounting Practice No 19, no depreciation is provided in respect of freehold properties or leasehold properties with over twenty years to expiry. This is a departure from the requirements of the Companies Act 2006, which requires all properties to be depreciated. Such properties are not held for consumption, but for investment, and the Directors consider that to depreciate them would not give a true and fair view. Depreciation is only one amongst many factors reflected in the annual valuation of properties and accordingly the amount of depreciation, which might otherwise have been charged, cannot be separately identified or quantified. The Directors consider that this policy results in the accounts giving a true and fair view.

2. ADMINISTRATION EXPENSES

The average number of employees during the year, excluding Directors, was nil (2008: nil)

The Directors did not receive any remuneration for services to the Company in both the current and preceding financial year

Another group company has paid the auditors' fees for the audit of the Company's annual accounts in both the current and preceding financial year. Fees for the audit of the Company were £1,400 (2008: £1,400)

HAMMERSON (DIDCOT II) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2009

3. NET FINANCE COSTS

	2009 £'000	2008 £'000
Bank and other interest receivable	-	(1)
Interest payable to ultimate parent company	71	139
Net finance cost	71	138

4. TAXATION

The Company's ultimate parent company, Hammerson plc, is taxed as a UK Real Estate Investment Trust ("UK REIT") and, as a consequence, group companies are exempted from UK corporation tax on the profits of a UK property rental business and on the gains on UK investment properties

Group companies remain subject to UK corporation tax on items other than UK property rental profits and gains on UK investment properties but, as the group has surplus tax losses, the group's policy is for these taxable profits and losses to be fully offset by group relief surrendered without payment, so that individual subsidiaries do not bear tax

The Company therefore had no tax charge for the year, and this is expected to continue for the foreseeable future. Profits covered by group relief for the year ended 31 December 2009 are £nil (2008 £1,000)

5. INVESTMENT PROPERTIES

- (a) The movements in the year on properties were
- | | Freehold
£'000 |
|--------------------------------|-------------------|
| At 1 January 2009 | 2,000 |
| Additions at cost | 110 |
| Deficit arising on revaluation | (310) |
| At 31 December 2009 | 1,800 |
- (b) Property is stated at market value at 31 December 2009, valued by professionally qualified external valuers, DTZ Debenham Tie Leung, Chartered Surveyors. The valuations have been prepared in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors and with IVA 1 of the International Valuation Standards. The deficit arising on revaluation has been transferred to the revaluation reserve.
- (b) The historical cost of investment property at 31 December 2009 was £3,202,000 (2008 £3,092,000)

HAMMERSON (DIDCOT II) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2009

6 DEBTORS

	2009 £'000	2008 £'000
Trade debtors	56	49
Amounts owed by fellow subsidiary undertakings	19	14
Other debtors and prepayments	-	1
	75	64

All amounts shown under debtors fall due for payment within one year. Amounts owed by fellow subsidiary undertakings are non-interest bearing.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Accruals and deferred income	19	36
Amounts owed to ultimate parent company	3,271	3,178
Amounts owed to fellow subsidiary undertakings	1	1
Other creditors	7	14
	3,298	3,229

Interest is charged on amounts owed to the ultimate parent company at variable rates based on LIBOR. Amounts owed to fellow subsidiary undertakings are repayable on demand and are non-interest bearing.

8 SHARE CAPITAL

	2009 £	2008 £
Allotted, called up and fully paid:		
1 ordinary share of £1	1	1

HAMMERSON (DIDCOT II) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2009

9 RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2009	(1,092)	(73)
Deficit on revaluation of properties	(310)	-
Profit for the financial year	-	52
At 31 December 2009	<u>(1,402)</u>	<u>(21)</u>

10. ADVANCES, CREDIT AND GUARANTEES

The Company has granted no credits, advances or guarantees to the Directors of any kind throughout the year

11. RELATED PARTY DISCLOSURE

The Company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Disclosures", not to disclose details of all of its related party transactions with other group companies. In the opinion of the Directors there are no other related party transactions to be disclosed in the current or preceding financial year

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 December 2009, the Company's ultimate parent company was Hammerson plc, which is registered in England and Wales and is the largest and smallest group to consolidate these financial statements. At 31 December 2009, the Company's immediate parent company was Hammerson Retail Parks Holdings Limited

The consolidated financial statements of the ultimate parent company, Hammerson plc, are available from that company's registered office, 10 Grosvenor Street, London W1K 4BJ

13. POST BALANCE SHEET EVENTS

On 20 January 2010, the Company purchased two industrial units in Didcot, for a consideration of £2,997,000